GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2636
ANSWERED ON:31.08.2007
REQUEST FOR DEBT WAIVER
Maharia Shri Subhash;Singh Shri Dushyant

Will the Minister of FINANCE be pleased to state:

(a) the State-wise performance on reduction of fiscal deficit as on date;

(b) whether any assessment of such performance has been made;

(c) if so, the details thereof; and

(d) the measures taken by the Union Government to eliminate fiscal deficit by 2010?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d): The state-wise performance on reduction of fiscal deficit in absolute number and as percent of Gross State Domestic Product (GSDP) is annexed. Pursuant to the recommendations of the Twelfth Finance Commission (TFC), Ministry of Finance has formulated a scheme called the States` Debt Consolidation and Relief Facility (DCRF) for the TFC award period, 2005-10 for providing debt relief. This general debt relief is contingent on States enacting Fiscal Responsibility and Budget Management legislation incorporating, inter-alia, bringing down Fiscal Deficit (FD) / GSDP ratio to 3% by 2008-09. For the assessment and monitoring of the fiscal performance, a Central Monitoring Committee at the Union level and Monitoring Committee at State level headed by Chief Secretary have been constituted. In the recent review, it was observed, inter-alia, that States have achieved a significant reduction in the fiscal deficit.